

BigAir Group Limited
Level 1, 59 Buckingham St
Surry Hills, NSW 2010
Phone: (02) 9993 1300
Fax: (02) 8080 8162
www.bigair.com.au



BigAir Group Limited Appendix 4D

BigAir announces EBITDA profit of \$1.45 million for the half year ended 31st December 2009, an increase of 68% versus the previous corresponding period

SYDNEY, Australia – February 15th, 2010 – BigAir Group Limited delivered record EBITDA profit for the half year ended 31st December 2009 of \$1,448,745 an increase of \$586,127 or 68% versus EBITDA of \$862,618 for the previous corresponding half year period. The strong financial results were achieved directly through organic growth of \$0.9 million in its “on-net” revenues from sales of its fixed wireless broadband and data services across its fixed wireless networks which cover the six largest cities in Australia – Sydney, Melbourne, Brisbane, Perth, Adelaide and the Gold Coast.

The highlights for the half year period included:

- Organic **“On-net” fixed wireless revenue growth of 40%** versus the previous corresponding half year period (PCP)
- **EBITDA of \$1,448,745** an increase **68%** versus the PCP
- **EBITDA margin** continues to improve reaching **43%** revenue
- **Pre tax Profit** of **\$865,210** an increase of **108%** versus the PCP
- **Net Profit after Tax** of **\$625,000** an increase of **122%** versus the PCP
- **NPAT margin** also continues to improve reaching **19%** revenue
- **Earnings per share** of **0.7 cents** an increase of **118%** versus the PCP
- **Net Operating Cash Flow** of **\$1,206,921**

The strong operating cash flows supported \$1,021,530 of new capital investment into the network in the six month period. An additional \$130,511 was invested into intangible assets, for a total investment of \$1,152,041 for the period.

A full summary of the improving financial results is included in the table on the next page.

			Half-year ended 31-Dec-09 \$	Half-year ended 31-Dec-08 \$	Movement \$
Fixed "On-net" Revenue	↑	40%	3,295,048	2,360,502	934,546
Mobile "Off-net Revenue	↓	-95%	71,745	1,322,788	(1,251,043)
Total Revenue	↓	-9%	3,366,793	3,683,290	(316,497)
Cost of Sales	↓	-52%	702,319	1,474,564	(772,245)
Gross Profit	↑	21%	2,664,474	2,208,726	455,748
Gross Profit Margin (% Revenue)	↑	32%	79%	60%	19%
Other income	↑	140%	31,645	13,204	18,441
Operating Expenses	↓	-8%	1,247,374	1,359,312	(111,938)
EBITDA	↑	68%	1,448,745	862,618	586,127
EBITDA (as % Revenue)			43%	23%	
Net Profit Before Tax	↑	108%	865,210	416,098	449,112
Net Profit After Tax	↑	122%	625,000	281,670	343,330
NPAT (as % Revenue)	↑	143%	19%	8%	
Earnings per share	↑	118%	0.7	0.3	0.4
Net Tangible Assets per Share (cents)	↑	61%	5.0	3.1	1.9

The discontinuation of the "off-net" iBurst reseller business during the previous period has allowed the Group to complete the realignment of its business on its own "on-net" high-speed Fixed Wireless networks.

Business realignment and continued improvement in operating efficiency has resulted in a 52% reduction in Cost of Sales and a further 8% reduction in Operating Expenses

Continued expansion of the higher margin "on-net" business, along with the closure of the iBurst business and further improvements in back office operational efficiencies has resulted in lower overall operating expenses despite an increased investment in Sales and Marketing resources.

Operating Expenses Comparison			Half-year ended 31-Dec-09 \$	Half-year ended 31-Dec-08 \$	Movement \$
Employee benefits expense	↑	9%	(847,848)	(777,111)	70,737
Sales and marketing expense	↑	11%	(127,774)	(115,614)	12,160
General administration expense	↓	-49%	(201,342)	(394,931)	(193,589)
Occupancy costs	↓	-2%	(70,410)	(71,656)	(1,246)
Total Operating Expenses	↓	-8%	(1,247,374)	(1,359,312)	(111,938)

Continued Network expansion and improvement in margin

Customer driven expansion has resulted in new network deployments in Perth, Adelaide and the Gold Coast during the last 12 months. BigAir is also continuing to improve its network coverage and capacity in New South Wales and Victoria. Several new sites have been deployed as at the end of 2009 in Melbourne including Tullamarine, Laverton and Mitcham. As at the beginning of 2010 the company has in excess of 60 base station sites across the 6 largest cities in Australia.

Fixed Wireless ("On-net") Division			Half-year ended 31-Dec-09 \$	Half-year ended 31-Dec-08 \$	Movement \$
Fixed Wireless Revenue ("On-net")	↑	40%	3,295,048	2,360,502	934,546
Fixed Wireless Gross Profit \$ ("On-net")	↑	32%	2,647,847	2,012,945	634,902
Fixed Wireless Gross Profit % ("On-net")			80%	85%	

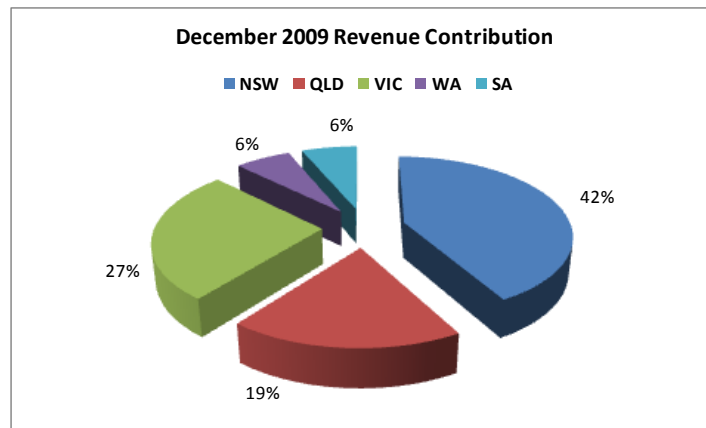
Gross margin on Fixed Wireless revenues remains at 80% reflecting the benefits of having 100% ownership of critical last mile network infrastructure. Revenue from the "off-net" mobile division is no longer material since the closure of iBurst.

Strong Sales Growth and Diversifying Revenue Base

Benefiting from its truly national coverage the Company has achieved a 40% increase in "on-net" revenues with growing revenue contributions from its wholesale partners across the country. In particular we are experiencing strong growth from customers targeting the multi-site, higher bandwidth corporate customer segments. BigAir wireless data services are often used for disaster recovery and backup purposes, however increasingly they are being used as the primary data service displacing traditional wired services.

BigAir has made significant additional investment in sales infrastructure and has appointed a new National Sales Manager with more than 15 years experience in growing corporate sales at several Tier One carriers including Optus, Telstra and Soul. The Company has signed up several new channel partners as at the end of 2009 including CCNA and Buroserv, and is in active discussions with a number of new channel partners.

During the half year the geographic diversification of the revenue base continued with close to 60% of all new sales in December 2009 originating from outside New South Wales.

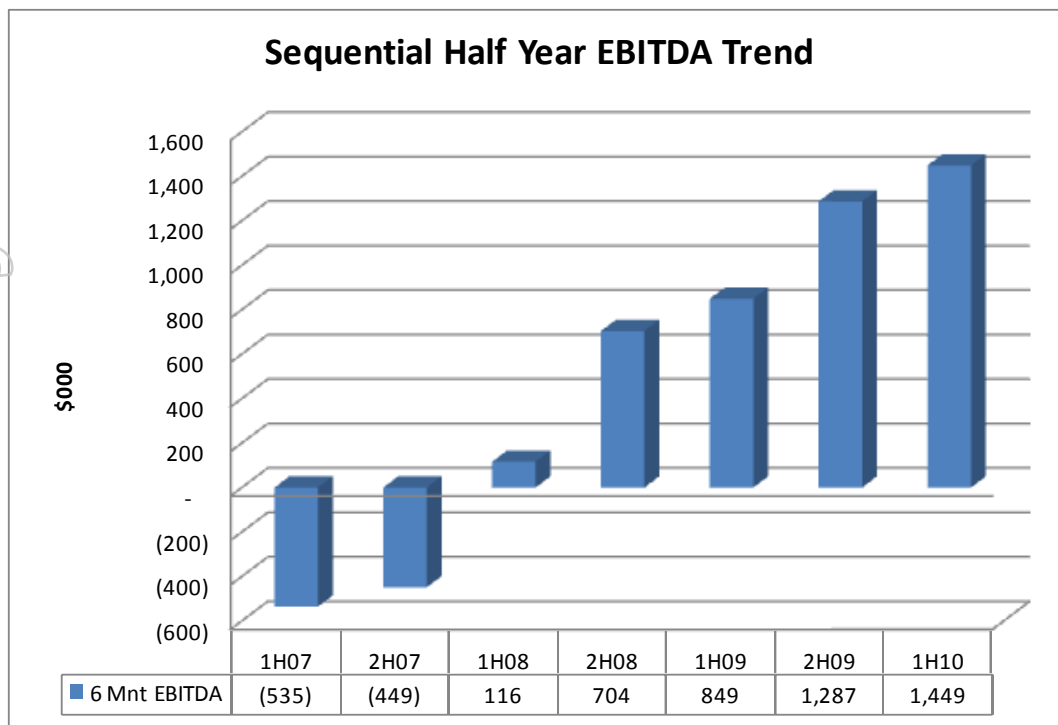


Financial Performance

Despite the loss of iBurst revenue (\$1.5m in FY2009) and iBurst gross profit contribution (\$0.5m in FY2009) the Group achieved record half year financial results in the half year ending 31 December 2009. Below are some of the key highlights:

- **Positive Net Operating** cash flow of **\$1.2m** supported new Capital Investment of **\$1.15m** whilst still delivering closing cash balance of **\$2.1m**
- Achievement of **pre tax Profit** result for the half year of **\$865k**, an improvement of **\$449k** or **108%** versus the previous corresponding half year period
- Earnings per share reached **0.72 cents** which represents **118%** increase from previous corresponding half year period
- EBITDA growth of **68%** from half year 2009 to half year 2010 to **\$1.45m**
- "On-net" fixed wireless revenue growth of **40%**

For personal use only



Business Outlook and Guidance

The Company is starting to reap the benefits of its aggressive multicity network rollout. These extensive infrastructure investments along with the recent increased investment in sales and marketing resources are expected to lift growth rates even further. The Company believes it is on track to deliver at the upper end of its guidance for full year EBITDA of \$2.5m - \$2.8m.

About BigAir Group Limited

BigAir owns and operates Australia's largest metropolitan fixed WiMAX* broadband network. The Australian business market comprises nearly one million businesses and BigAir's network provides near blanket coverage across its six largest cities Sydney, Melbourne, Brisbane, Perth, Adelaide and Gold Coast. BigAir sells broadband and data services directly to business customers and also partners with other IT service companies who have existing relationships with business customers in order to deliver BigAir's high speed, cost effective WiMAX* broadband solutions.

BigAir's competitive advantage includes its state-of-the-art WiMAX* network which allows it to install business-grade symmetric broadband services at speeds up to 1000Mbps and distances up to 30km from its base stations with installation taking just a few hours. Most of BigAir's competitor's rely on access to Telstra's copper network which can take weeks to install a service and does not deliver fast symmetric speeds. Competing legacy wireless networks such as the 3G mobile phone networks are also not nearly fast enough to meet the demands of business Internet users in an office environment.

*802.16-2004 compliant or 802.16d; WiMAX™, and WiMAX Forum™ are trademarks of the WiMAX Forum

For investor relations enquiries please contact:

Jason Ashton

Chief Executive Officer

BigAir Group Limited

02 9993 1316 | jason@bigair.net.au